RENTAL HOUSING POLICIES

Summary of Community Feedback





1. Overview

In early 2019, Council directed staff to develop draft policies related to rental housing and increasing tenant protections. Staff developed a draft set of policies based off of current practices in other municipalities and organized three community meetings to gather feedback from both renters and landlords. Staff are striving to recommend to Council regulations that strike a balance between addressing the concerns of both renters and landlords.

2. Why is Burien Considering Rental Housing Policies

Burien is one of the fastest growing cities in King County. Wages and housing production, however, have not kept up with the growth. As a result, rents have increased and Burien is seeing an increasing trend of displacement of low-income residents to other communities. Some displaced residents may even become homeless, further worsening our region's current homelessness crisis.

Regional Affordable Housing Task Force reports show that the King County region needs 156,000 new units of housing right now to meet current housing needs, and 244,000 units will be needed by 2040.

The current housing stock in Burien is aging. As a result, there may be an increase in the number of older multi-family housing units that will be redeveloped, which has the potential of displacing current residents. While housing renovations can improve the levels of habitability and quality of life for residents, rental housing policies can minimize displacement and other negative impacts.

3. Community Engagement

The City organized three community meetings with one focused specifically on landlords in February and March 2019. Below is a summary of the feedback received at those meetings.

Update: Summary of feedback received at June 20, 2019 community meeting:

The City revised the proposed renter policies based on feedback received during community meetings held in February and March. The revised policies were presented and discussed during a fourth community meeting held on June 20. Community members attending this meeting expressed support for the revised policies, but stated that the most important priorities for them were the ombudsperson position, just cause eviction, and effective communication of the new policies. They also shared similar needs and concerns that were expressed in previous meetings.

City staff also noted updates to state law that were passed in the last legislative session, including: ESSB 5600

Creates landlord mitigation program where landlords can seek reimbursement up to \$1,000 for potentially required move-in upgrades, up to 14 days' rent loss, and up to \$5,000 in qualifying damages caused by a tenant during the tenancy.

- 14-day notice to pay or vacate based on overdue rent. Landlord must state what amounts
 are owed and must provide information about where to find legal or advocacy resources
 and provide interpreter services at court.
- Landlords must first apply any payment by a tenant to the rent amount before applying it toward other charges.
- Authorizes judge in unlawful detainer/show cause hearing to exercise discretion to consider factors in favor of tenant, including but not limited to hardship to tenant and whether tenant is substantially in compliance with lease.

HB 1462

• 120-day notice for demolition, major rehabilitation, or change in building's use.

ESHB 1440

• 60-day notice to raise rents in most cases (except for subsidized tenancies such as Section 8).

Tenant-Landlord Relationship

- Relationship between landlords and tenants needs improvement. Participants wanted to encourage tenants be at the "center of making change happen" and believe that tenant empowerment should be at the center of the conversation. Landlords want tenants to know that sometimes rents have to go up and landlords would like tenants to have a better understanding of why rents need to go up. Some reasons could include maintenance and rising taxes. Landlords are looking for more "empathy" from tenants. One attendee suggested more cooperative housing models, so that tenants have more of a "financial stake." Some suggested that a sense of community needs to be fostered between landlords and tenants to reduce the divide. Some mentioned that landlords should realize that renters are human. Landlords stated that tenants should take their responsibilities as renters seriously. Landlords and tenants are both accountable, and policies should be mutually beneficial for landlords and tenants. "We're all in this together," said one group. Landlords see themselves as housing providers, and value the relationship they have with tenants. One group said the City needs to support tenant organizing through a tenant association to balance the current "power differential between landlords and tenants." A new name for the set of policies was suggested: Rental Housing Policies and Programs. Renters are also looking for ways to make it easier for renters who are "electronically challenged" to pay their rent, and when a property is sold, make it easy for renters to know who is in charge and how to pay rent, etc. Another group said there should be equity between landlords and tenants. One landlord stated that the majority of rent increases are going to tax increases and that landlords are blamed and are an "easy scapegoat."
- 2. Both landlords and tenants would like to have a trusted 3rd party they can go to for help. Both landlords and tenants are looking for a trusted person they can turn to in times of conflict as well as when there are conversations about housing conditions, inspections, issues with tenants and landlords, and legal options available to both. Ideas include

having a City facilitator/mediator/ombudsperson/arbitrator that landlords or tenants could turn to for advice and help. One person described it as a "safe place" for both landlords and tenants. Another group called for a commission to address housing complaints. One group said that a person who could explain a rental agreement would be helpful. One group said there should be a trusted source where renters can access information anonymously to avoid retaliation.

Discrimination

- 1. **Renters wanted protection from retaliation.** Renters shared stories about feeling afraid to report bad living conditions issues for fear of retaliation from their landlords. They also expressed fears of being discriminated against.
- 2. Stronger anti-discrimination policies needed and better enforcement of those laws. Some suggested that education and outreach is needed so both tenants and landlords know what discrimination looks like for all protected classes (such as section 8, LGTBQ, etc.)
- 3. Racial inequalities need to be addressed. Some commented that not enough people of color were present during the community meetings. Others stated that the history of racial inequality needs to be addressed.

Risks for landlords

- 1. Call for differentiation in policies between small and large properties. Several participants called for consideration to be given to the needs of small landlords. Concern was expressed that policies could work against the smaller property owners. Create a threshold that changes the policy depending on the number of units owned. One participant stated, "Treating rental housing as a public utility will drive landlords out of rental business. A lot of small landlords don't know the law. They will try to work with someone behind on their rent, and now they have to wait another 30 days to get someone out. This could concentrate more rental ownership in large property owners or investment fund that doesn't care about anything other than their return. It will push up rents." Others noted that from a renter's perspective there are pros and cons between small landlords and larger, distant landlords. Local landlords can be more responsive, but could be more "difficult."
- 2. Some said watch for unintended consequences and policies that shift risk so that landlords can't operate properties safely or stay affordable. One participant stated that Tacoma's inspection process has cut down on availability of housing in Tacoma. Another participant stated the City is considering a higher floor for minimum standards that will be more expensive for landlords to maintain while at the same time trying to preserve affordable housing. One participant stated, "the more you increase the minimum housing standards, the more you push up prices." Landlords, responding to statements from renters that more flexibility should be given for late payments, stated that they have loans and will be penalized if they are late with a mortgage payment or tax bill. One group suggested that renters be able to pay first and last month in installments, but at least one landlord stated that it presents financial risks for landlords.
- 3. **Landlords expressed concern about how to address "bad" tenants.** Landlords wanted more clarification on how to terminate a lease or other steps that could be taken to address

- problem behaviors by their renters. Some expressed a desire for help in evaluating prospective tenants.
- 4. Concern was expressed about what will happen to renters if inspectors find that significant repairs are needed. There was a concern that tenants will be displaced while repairs happen. And there are questions about what happens to tenants if landlords don't make repairs. Landlords also asked about what happens when a landlord doesn't comply? Are there fines?
- 5. Concern that policies would prevent landlords from recovering maintenance and renovation costs. Landlords expressed that a lot of money flows to utilities and taxes. Taxes have doubled on almost every property. One participant stated, "When landlords upgrade the housing, it translates to rent increases. If the City forces landlords to fix properties up, the rent needs to be raised." One participant noted this will be an issue as Burien's housing stock is aging and in need of repairs. Another expressed concern that smaller business owner who are required to make upgrades may put them out of business? One landlord stated that "regulations push people out of the landlord market" and that voluntary compliance that includes a reward system may be better.

Barriers to Housing

- 1. Concern about restrictive policies landlords are placing on tenants. Participants shared stories of stricter parking rules, requirements about what cable service provider they can choose, etc.
- 2. **Barriers to finding housing.** Participants listed barriers to finding housing. Barriers included background checks, credit checks, application fees, and lack of housing, especially for families.

Code Enforcement and Inspections

- 1. The City needs to provide more code enforcement. The City was asked to hire more code enforcement staff, and to have a more proactive code enforcement program, especially for apartments. Several stated that unhealthy living conditions need to be addressed, and that all people deserve to live in clean, peaceful homes. Some said that there needs to be better access to justice, saying "if we have all these rules, where is the hammer?" One group suggested pinpointing neighborhoods prone to landlord abuse and another group suggested looking at Renton and Tacoma's random inspection programs. Another group referenced the Fox Cove Apartments, and the need to focus on crises. One participant called for rapid inspections, saying "When something is seriously wrong, get an inspector there promptly, not when a landlord can dress it up. It should be like calling a police officer for help."
- 2. **More regulations about livability and healthy housing standards.** Some participants called not only for more code enforcement, but also tighter regulations around habitability standards.
- 3. Third-party inspectors vs. City staff. There was concern that private inspectors may favor the interests of the landlord and not the tenant and that the City should hire its own inspectors. Concern was also expressed that inspectors may not be qualified to do inspections and will misinterpret the City's code.

Costs

- 1. Cost transparency was important to renters. They expressed they wanted to know why rent was increasing and to have all fees clearly documented in language they understood. This includes what rent will be in two years, five years, etc.
- 2. **Fees were a concern.** Some renters stated that up-front fees can be a barrier to housing. Others suggested restricting or putting caps on late fees for renters. Month-to-month rent creates uncertainty for renters one group noted. One group stated that pet fees should be included in the discussion, and that high pet fees are a barrier.
- 3. Rent increases. Several groups discussed ways to protect renters from frequent rent increases. One suggestion was rent control (which is prohibited by Washington State Law RCW), restrictions on the number of times rent can be increased during a specific time period, and require rent go up by smaller percentages. One renter shared a story about their rent increasing \$1000 over a 5-year period. Renters also asked for more notice for rent increases and shared stories of landlords asking them to sign shorter leases (such as five months) as a way to increase rent more frequently. Landlords expressed significant concerns over rent control.
- 4. **Landlords concerned about recovering expenses.** See #5 under Risks for Landlords.

Education and Communication

- 1. Need for education for both landlords and tenants. Suggestions included a workshop or other education sessions where people can ask their questions have it be from landlord or renter perspective. Come from reliable resources. Other suggestions included a portal where people could find easy-to-understand, trustworthy information. Clear communications that are easy to understand from the City to the community was also noted as important. One specific topic that came up was the need to educate landlords on allowing service and therapy animals, and that tenants should be required to provide documentation of service animals. Some groups supported the tenant information packet, which would include information about existing Landlord-Tenant laws, as a good idea. It was called out that the packet should be standardized, written in plain language, and translated into multiple languages. Others stated a portal, with legal rights explained and a list of supportive community organizations, would be helpful. One group stated, "information is important. Renters need to know their rights and options."
- 2. Notices to renters and notice of sale to City. There were divergent views on the number of days that are appropriate for notices regarding rent increases, notices of sale, renovation or demolition of the property, etc. Many groups expressed support for the City to be notified when a sale was occurring. However one participant stated that notification and registration "restricts open market," citing as an example, "I have property in Seattle, but KCHA went into a neighboring property and put in affordable housing, which killed all our rents." One landlord attorney stated that notices to vacate and due process afforded under the unlawful detainer laws (RCW 59.12) are two separate issues. One property manager stated that Seattle's advanced written notice worked well.

- 3. Language access. There was a call for documents and notices to be translated into multiple languages. Documents also need to be written in plain language. One participant said "you can't just hand someone a document full of legalese."
- 4. **Call for larger complexes to support community building.** Programs such as New Futures were called out as important.

Support

- 1. More support for agencies providing support for renters facing displacement. There was a call for more support for organizations that are supporting renters. One participant asked if we can find, track, and have resources ready for residents who are on subsidies in order to mitigate displacement.
- 2. Renters are looking for a person to call to address issues or repairs in the apartment. Several groups discussed concern about properties who don't have a local site manager.
- 3. Develop a policy that triggers City involvement—for both landlords and tenants.
- 4. Tenant relocation assistance and other supports for renters facing eviction or displacement. Participants wanted there to be relocation assistance offered to those facing eviction under certain conditions, as well as a portal with information about where people could go for help. They also stated that it would be helpful to have a point person who could help people navigate through the housing system or somebody who could mediate between the renter and landlord in order to avoid eviction. One group suggested a panel to help manage a relocation fund. It was also suggested that the City should foster relationships with community organizations who offer housing support. One group stated the City should have had money set aside to address the Fox Cove situation. Others stated the landlord or developer should have "financial accountability" for relocation.

Affordable Housing

- 1. There were calls for more affordable housing. One group said look at Seattle's policy about requiring low-income housing for new developments, explore co-ops with tax incentives, and establish higher density areas to encourage more housing development. Some groups called for affordable housing requirements for new developments. Another suggestion was to provide incentives to landlords so they can keep rents low.
- 2. More low- and middle-income housing is needed. There were many who stated that more low-income housing and public housing investments need to be made and that more low- and middle-income housing is needed. One participant asked what is Burien's contribution to the need for more housing? And another group stated the City should advocate with King County Housing Authority to create more housing options for families.
- 3. **More diversity in housing options.** One group stated that Burien's "diversity is something we want to protect." One way to achieve this is more variety of housing types available, such as tiny homes, studio apartments, as well as family-sized units.

4. **Zoning changes were suggested.** Some commented that single-family zoning should be changed to accommodate more multifamily housing. Others called for rezoning to allow for smaller lots. Another group called for laws that allowed more accessory dwelling units (ADUs).

Displacement and Homelessness

- 1. Burien is not focusing enough of the needs of the very poor. There was concern that Burien should focus more on housing for low-income people. Efforts should focus on stability, and helping end the "revolving door" of tenants who can't afford to stay in a place and are displaced. The instability hurts both landlords and tenants. Concern was expressed for people living with disabilities, on fixed incomes, or who are very low income and now falling into homelessness. One participant said we need to "put the focus on families who are homeless or are potentially homeless."
- 2. Concern over out-of-state companies buying housing complexes and displacing current residents. Landlords expressed concern that the more variation between jurisdiction policies makes it harder for landlords. Renters stated the destabilizing effect "flipping" properties has on their lives.

Additional Policy Requests

- 1. **Commercial properties should also have rental policies.** One group talked about businesses in buildings without bathrooms or sinks.
- 2. **State regulations.** Community members asked for our policies to not duplicate State legislation. City staff are monitoring bills currently being discussed by the Washington State Legislature regarding increasing the three-day notice to vacate requirement to 14 days, and a bill establishing sixty-day notice of any rent increases.
- 3. **Just cause eviction.** Some participants stated that the way our proposed policy is written is not accurate and that staff should change the name of this policy from "just cause."
- 4. Look for creative and innovative solutions. Ideas presented were to encourage the faith-based community with land to think about housing partnerships and the use of incentives to maintain affordability such as waiving registration fees, preservation tax exemptions, housing trust funds, and emergency rental assistance. A point system was suggested as "a step in the right direction," and that the policies in Lakewood and Tukwila were onerous. One group suggested that the City "resist the urge to make this tenant or landlord," and instead think of a "creative third way" to think about this challenge. The City was also asked to consider a systems way of talking about the issues, and include discussions of related issues such as wages.

Timeline

1. Timeline and exemptions to rental housing inspection program. Landlords are very interested in how this program would be implemented and want continued engagement with the City on this topic. Landlords favored a phased approach to the rental housing inspection and licensing program. Details that will need to be addressed include when the clock starts ticking for a property owner while they wait for inspection.

For new developments, the first round of inspection would be waived once certificate of occupancy was issued. One group stated that enough time should be devoted to the implementation launch to prevent mistakes and poor execution. One group stated that a minimum number of units should be considered as criteria for participation in the rental housing inspection program. One group suggested a phased approach that could include registration as a first phase where information could be send to landlords, then inspection as second phase.

Next steps

Updated July 15, 2019:

Staff have updated the draft legislation to reflect changes to the Washington State Residential Landlord-Tenant Act enacted in the last legislative session as well as community feedback gathered during the four public meetings. The draft legislation is scheduled to be presented to Council for discussion on August 5, 2019.